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The Go Fish Principle of Trademark Registration and the Consequences of Playing Against a Loaded Deck

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COMMENT

THE "GO FISH" PRINCIPLE OF TRADEMARK REGISTRATION AND THE CONSEQUENCES OF PLAYING AGAINST A LOADED DECK

TIMOTHY DANIEL CASEY*

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THE "GO FISH" PRINCIPLE OF TRADEMARK REGISTRATION AND THE CONSEQUENCES OF PLAYING AGAINST A LOADED DECK

I. INTRODUCTION

Substantial similarities among products in highly competitive markets will often force competing companies to rely on the strength of a particular trademark to sell a particular product. Trademark reliance is perhaps most apparent in the personal computer market, where numerous well known companies have introduced a line of "cloned" personal computers in reliance on the strength of each company's tradename to distinguish and sell the computers. Other companies have even attempted to lessen the distinction between the sound and appearance of the tradename, as well as the product.¹ Many high technology related companies have a penchant toward using tradenames which are similar in sound or appearance. Although some of the similarities are due to a lack of imagination,² others result from pure coincidence, such as the following similar tradenames: Tandy,³ Tandem,⁴ and Tandon.⁵ Similarities between tradenames can also be the result of intentional infringement.⁶

Sometimes companies know that another similar mark exists before its own trademark or servicemark is selected.⁷ At other

1. Apple Computer, Inc. v. Formula International, Inc., 725 F.2d 521, 221 U.S.P.Q. 762 (9th Cir. 1984) (trademark "Pineapple" for personal computer found to infringe registered mark "Apple" for personal computer, and copyrighted computer programs also infringed).

2. The March 1987 Pacific Bell White Pages for San Jose-Santa Clara, California, list 77 companies with tradenames beginning with the word "micro."

3. Originally the name of a family owned leather store in 1899, Tandy became more widely known when Charles Tandy purchased a nearly bankrupt mail order electronics business in 1963 called Radio Shack. M. MOSKOVITZ, M. KATZ & R. LEVERING, EVERYBODY'S BUSINESS: AN ALMANAC, AT 331 (1980).

4. A computer and electronics manufacturing company whose first major product was reputedly a failsafe computer system comprised of two computer systems operating in tandem.

5. A computer and computer peripherals manufacturer reputedly started in the garage of Sirjang Lal Tandon.

6. J. Rydstrom; RIGHT OF OWNER OF TRADEMARK FOR APPAREL OR TOILETRIES TO PROTECTION UNDER LANHAM ACT (15 USC. SEC. 1114(1)) AGAINST INFRINGEMENT BY AUTHOR'S USE OF SIMILAR MARK FOR DIFFERENT ITEMS OF APPAREL OR TOILETRIES; 38 A.L.R. FED. 374, 414 (1983).

7. Tradenames, trademarks, and servicemarks will be referred to as "marks" from hereon. Caesar's World, Inc. v. Caesar's Palace, 490 F. Supp 818, 209 U.S.P.Q. 492 (D.N.J. 1980). There is virtually no difference between trademarks and servicemarks, except for the fact that trademarks identify goods and servicemarks identify services.

times, the similar mark may be discovered while performing a trademark search.⁸ Occasionally, a similar mark will not be discovered until an application for registration has been filed, or an infringement action has been filed, because a search for previously registered marks was not performed prior to registration or usage. Some similar marks can be used for years without ever attracting the attention of the owner of the other mark. Yet, an attempted registration of the mark will often alert the owner of a similar mark to such use, or to an expansion of such use.⁹

When an applicant attempts to register a mark, the application can be refused for a number of reasons relating to any similarity between applicant's mark and any previously registered mark. An applicant who has had an application for registration refused, yet continues to use the mark, will often be sued for infringement by the owner of the mark upon which applicant's registration was refused. An explanation of the well-known card game "fish" can be useful in understanding the effect of continued use of a rejected mark.

In the card game, each player is dealt a number of different cards which are unknown to the other players. The object of the game is to collect all of the cards of a particular kind, such as all four "2s," by asking other players for a particular card or drawing from the remainder of cards left in the deck. When a set of cards is collected, it is laid face-up on the table. The first player to collect enough sets of cards to clear his hand of all cards wins the game. To collect cards, in order to form a set, each player must ask for a particular card, at least one of which is in his hand, from one of the other players. If the person asked for a card does not have one of those cards, the asking player must draw a card from the remainder of the deck. Drawing a card is referred to as having to "go fish."

Asking the wrong person for a card will alert other players to what cards are in the hand of the asking player. Thus, there is a possibility that one of the other players will ask the original asking player for the same card, and the original asking player will lose the card.

Accordingly, the game of "fish" can be analogized to asking

8. A "trademark search" is the process of checking the primary and supplemental registers of the United States Patent and Trademark Office or any state registers for similar marks to the work in question. Although a number of companies can be hired to perform a trademark search, many attorneys perform trademark searches on computers that have access to data files containing all of the relevant information.

9. Many companies, or diligent defenders of important marks, employ search services that will alert the prior registrant when applications for similar marks have been filed.

the wrong player (the Patent and Trademark Office)¹⁰ for a particular card (filing a trademark application for a similar previously registered mark).¹¹ If the Patent and Trademark Office tells the asking player to "go fish" (rejects the application), and another player (the owner of the mark upon which the rejection was based) has a card in the same set of cards, that player can ask for the card from the original asking player (sue the applicant for infringement) and be able to take away the card (prove infringement). In essence, by being the first to register his mark, the owner of the registered mark has loaded the deck and thereby has the ability to learn of the contents of the other player's hands. Hence, continuing to use a mark after registration of the mark has been refused, based on confusing similarity to another mark, is tantamount to asking the wrong player for a particular card and continuing to play "fish."

In the card game "fish," a "2" is always a "2." However, unlike the card game "fish," marks that are found to be confusingly similar by the Patent and Trademark Office (the Patent Office) are not always considered to be confusingly similar by consumers. However, if a court hearing an infringement action concerning the same two marks considers the prior Patent Office determination regarding the similarity between the marks to be conclusive, the party who had attempted registration of the allegedly infringing mark may never be able to prove that consumers were not confused.

This comment addresses two issues: (1) whether a client should attempt to obtain the additional benefits and greater certainty that often accompany registration of a mark, even if there is knowledge that the mark may be rejected by the Patent Office because of confusing similarities with a previously registered mark; and (2) whether evidence of an unsuccessful registration attempt can be used in a subsequent infringement action by the owner of the registered mark, and if so, what weight such evidence will be accorded.

This comment will commence by briefly stating relevant portions of the trademark registration process. The basic tests that are used to determine whether a mark can be registered and whether trademark infringement exists will be compared. The comment will then analyze how various federal courts have treated Patent Office determinations in subsequent infringement actions where similari-

10. The Patent and Trademark Office is referred to as the wrong party because the applicant could have attempted to ask the owner of the mark for a license or taken some other precaution, rather than simply filing for registration.

11. Trademark applications are reviewed by the Patent and Trademark Office of the federal government, which is commonly referred to as the Patent Office, regardless of whether in reference to patent or trademark matters.

ties between the marks were at issue.¹² An enumeration of the means by which to resolve the confusion among the various circuits will be presented. Finally, the comment will address how the applicant, or potential applicant, should view a rejection based on confusing similarity to another mark.

II. TRADEMARK REGISTRATION

After an attorney files an application for trademark registration with the Patent Office, the Examining Attorney (Examiner) assigned to review that application will run a search of previously registered marks and compare those marks against the applicant's mark.¹³ If the applicant's mark is found to be similar to a previously registered mark, the Examiner can reject the application under 35 U.S.C. Sec. 1052(d). If a mark sought to be registered so resembles a presently registered mark as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive the public, then the Examiner is to reject the application.¹⁴ After an initial rejection, the applicant may desire the attorney to respond and attempt to overcome the Examiner's rejection.¹⁵ This process continues until the Examiner no longer objects to the mark,¹⁶ issues a final rejection,¹⁷ or the applicant abandons the application.¹⁸

An application can be abandoned by filing a written request for abandonment.¹⁹ An application can also be abandoned by failing to respond or completely respond to an office action within a six-month period.²⁰ Requesting abandonment can have an advantage over failing to respond, if the purpose of the latter is to abandon the application.²¹

12. Federal court decisions are focused on herein, although states may regulate trademark activity in the absence of any clear conflict with federal trademark law, and a trademark may still acquire common law rights even if federal registration has not been acquired. J. GILSON, *TRADEMARK PROTECTION AND PRACTICE* § 7.04 (1986).

13. *TRADEMARK MANUAL OF EXAMINING PROCEDURE* (TMEP) §§ 1104 and 1105.01 (1983).

14. TMEP § 1205 (1983).

15. 37 C.F.R. § 2.62 (1986).

16. 37 C.F.R. § 2.63 (1986).

17. 37 C.F.R. § 2.64 (1986).

18. 37 C.F.R. § 2.65 (1986).

19. 37 C.F.R. § 2.68 (1986).

20. 37 C.F.R. § 2.62 (1986).

21. Abandoned application files not marked for retention are destroyed two years after abandonment. See TMEP § 1112.06. If an unsuccessful client is in a hurry to have a file destroyed, a written request for abandonment will trigger the two-year retention period. Otherwise, the file will be retained for two years after the six-month statutory response *per-*

If a final rejection is issued, the applicant may request that the examiner reconsider the final action, but the Examiner need not respond. Any request for reconsideration will not extend the time for filing an appeal.²² If the Examiner appears unlikely to allow the mark after a final action, and the applicant desires to pursue the application, the Examiner's decision can be appealed to the Trademark Trial and Appeals Board (Appeals Board).²³

Adverse *ex parte* (applications) Appeal Board rulings,²⁴ are either appealable to the Court of Appeals, Federal Circuit (Federal Circuit),²⁵ or to the federal district court where there is an adverse party for a trial de novo.²⁶ New evidence may be entered as evidence in the new trial along with the record from the *ex parte* action.²⁷ Once an *ex parte* trademark action gets into federal district court, it proceeds under normal trial procedure.²⁸ However, because the Commissioner is the adverse party in *ex parte* actions, all expenses of the proceeding are paid by the applicant, regardless of whether the final decision is in the applicant's favor or not.²⁹ Federal Circuit decisions are only reviewable upon writ of certiorari³⁰ to the Supreme Court.³¹

iod, which means that six months (approximately) can be cut off the retention period by requesting abandonment. However, the utility of taking advantage of this shortened retention period would be questionable because abandoned and destroyed PTO files may still be accessible through discovery if still retained by the client.

22. 37 C.F.R. § 2.64(b) (1986).

23. 37 C.F.R. § 2.141 (1986).

24. An *ex parte* ruling is the result of an action brought by the applicant.

25. 37 C.F.R. § 2.145 (1986).

26. 15 U.S.C. § 1071 (1986). *Ex parte* appeals are before the federal district court for the District of Columbia because the Commissioner of Patents and Trademarks is the adverse party.

27. *Digiom, Inc. v. Digicon, Inc.*, 328 F. Supp. 631 (D.C. Tex. 1971) (Trademark Trial and Appeals Board decision reversed on the basis of new evidence).

28. "Normal trial procedure" means that the action cannot be appealed to the Court of Appeals, Federal Circuit, but must instead be appealed through the court of appeals for the circuit embracing the district. 28 U.S.C. § 1294. The jurisdiction of the Court of Appeals, Federal Circuit, is limited by 28 U.S.C. § 1291 to the jurisdictions described in 28 U.S.C. § 1292(c) and (d) and § 1295. 28 U.S.C. § 1292 refers to appeals from interlocutory orders or decrees arising in cases in which the court would have jurisdiction of and appeal under § 1295. The Court of Appeals, Federal Circuit, has exclusive jurisdiction over appeals from final actions of district courts whose jurisdiction was based, in whole or in part, on 28 U.S.C. § 1338, but claims relating to trademarks (provided that there are no patent or plant variety protection claims involved) are not appealable to the Court of Appeals, Federal Circuit. 28 U.S.C. § 1295.

29. 15 U.S.C. § 1071(b)(3) (1986).

30. 28 U.S.C. 17 (amend. Jan. 1, 1986).

31. Although Supreme Court review is available, the very reason that confusion exists between the various circuits hearing cases related to the problem addressed by this comment is because the Supreme Court has declined to settle the dissension among the federal appellate

Allowed marks are not safe from potential challenge under 35 U.S.C. Sec. 1052(d). A mark must be published by the Patent Office for opposition by other parties before it can be officially registered.³² After registration, a mark can still be challenged³³ within the Patent Office or in federal district courts and cancelled. Opposition³⁴ and cancellation³⁵ proceedings are held before the Appeals Board. The *inter partes* decision³⁶ may be appealed to the Federal Circuit,³⁷ or to the federal district court, where there is an adverse party, for a trial de novo.³⁸ *Inter partes* actions in federal district courts also proceed under normal trial procedures.³⁹ However, the Commissioner cannot be made a party to the federal proceeding, hence, each party must bear its own costs.⁴⁰

III. THE LIKELIHOOD OF CONFUSION

The test for determining trademark infringement was set forth in the Lanham Act of 1946.⁴¹ The test considers the likelihood of confusion between marks in terms of the goods or services on which they are used and is codified at 15 U.S.C. Sec. 1114(1). Under the statute, any person who shall, without consent of the registrant, use in commerce a mark which is likely to cause confusion, or to cause mistake, or to deceive shall be liable in a civil action brought by the registrant.⁴² A comparison of the language used in 35 U.S.C. Sec. 1114(1) and 35 U.S.C. 1052(d) reveals that the Sec. 1114(1) test for infringement and the Sec. 1052(d) test for registrability are substan-

courts. "[I]t has been suggested that experienced practitioners in some federal 'specialties' no longer attempt to secure Supreme Court review because they know that the odds of success are so low." A. Hellman; *Error Correction, Lawmaking, and the Supreme Court's Exercise of Discretionary Review*; 44 U. PITT. L. REV. 795 (1985). Accord *HRUSKA COMMISSION REPORT* at 7, *Hruska Commission Hearings* (Second Phase) at 1147 (statement of Professor Handler, "... essay in futility to seek certiorari in a trademark case.")

32. 37 C.F.R. § 2.80 (1986).

33. 37 C.F.R. § 2.111 (1986).

34. 37 C.F.R. § 2.101 (1986).

35. 37 C.F.R. § 2.111 (1986).

36. An *inter partes* decision is the result of either an opposition or cancellation proceeding.

37. 15 U.S.C. § 1071(a) (1986).

38. *Id.* § 1071(b). If the adverse party is residing in a foreign country or there are adverse parties residing in a plurality of districts, the federal district court for the District of Columbia has jurisdiction.

39. *Supra* note 28.

40. 15 U.S.C. § 1071(b)(2) (1986).

41. 15 U.S.C. §§ 1051-1113 (1986). Dealing with the registration of trademarks used in commerce).

42. 15 U.S.C. § 1114(1).

tially similar with regard to likelihood of confusion.⁴³

Despite the similar language in the two statutes, a determination of likelihood of confusion in either an *ex parte* or *inter partes* Patent Office proceeding may be of little relevance in a subsequent infringement action.⁴⁴ In the Patent Office proceeding, the determination is made with regard to the registrability of the applicant's mark exactly as shown in the application. In the infringement action, the court is primarily concerned with the party's right to use a mark in commerce, and therefore considers additional factors.⁴⁵

Although the literal distinction between the right to use test (Sec. 1114(1)) and the right to register test (Sec. 1052(d)) should appear to be important in a subsequent infringement action, the distinction is not always recognized. As Judge Rich of the Court of Customs and Patent Appeals (CCPA), and now the Federal Circuit, stated:

[M]any lawyers come into our court and talk as though they were talking about infringement problems, about the right to use a mark. We always tell them, 'we are not concerned with right to use here, we are only concerned with right to registration; so why talk about right to use?'⁴⁶

While the Federal Circuit does not have the jurisdiction to hear trademark infringement actions alone, this quotation by Judge Rich at least emphasizes that if the distinction is not recognized by most attorneys, it will not be recognized by most courts. However, the distinction can have great importance: If a court hearing a subsequent infringement action believes that the issue of likelihood of confusion previously decided by the Patent Office in the registration proceeding is the same as the issue now before the court, the client may in effect be collaterally estopped, or prevented, from rearguing an adverse Patent Office determination.

In view of the importance of determining likelihood of confu-

43. *Flavor Corp. of America v. Kroman Ind. Inc.*, 493 F.2d 275 (8th Cir. 1974).

44. *Tuvache, Inc. v. Emilio Pucci Perfumes Int'l, Inc.*, 263 F. Supp. 104, 106 (S.D.N.Y. 1967) (refusing to stay an infringement action pending a final determination by the Trademark Trial and Appeals Board on the right to register).

45. *Wells Fargo & Co. v. Stage Coach Properties, Inc.*, 216 U.S.P.Q. 481, 484 (9th Cir. 1982) (in regard to an opposition proceeding); *Lucien Lelong, Inc. v. Dana Perfumes, Inc.*, 108 U.S.P.Q. 101, 106 (N.D. Ill. 1955) (in regard to a cancellation proceeding).

46. Honorable Giles S. Rich, *Role of the Court of Customs and Patent Appeals*, in *CONTEMPORARY TRADEMARK PROBLEMS IN CONTESTED PATENT OFFICE PROCEEDINGS* (R. Oziel ed. 1969). See generally *In re E.I. du Pont de Nemours & Co.*, 177 U.S.P.Q. 562 (CCPA 1973) (supports Judge Rich's view on the role of the CCPA in regard to right to register versus right to use).

sion in trademark infringement actions, such issue preclusion, due to an adverse ruling on the issue in a prior Patent Office proceeding, would virtually assure the charging party of success in a subsequent infringement action. Thus, an applicant should consider the possibility that its application for registration of a mark will be rejected, and the possibility that the owner of the mark upon which the rejection is based might eventually bring an infringement action against the rejected applicant. If the possibility of these two events occurring is likely, then the cost associated with losing the infringement action may greatly exceed the benefits that can be obtained by successful registration.

Ideally, an applicant would prefer to be able to take a rejected application all the way to the Supreme Court without having to fear that a prior determination would adversely affect its liability in subsequent actions. Unfortunately, an analysis of those courts hearing subsequent infringement actions reveals that there is no firm answer as to how far the applicant can take an application before a decision regarding registration affects his position in a subsequent infringement action. Thus, it becomes apparent that an applicant desiring to register a mark should be made aware of the legal pitfalls which may be encountered if an application for registration is filed before performing a trademark search, or for the purpose of evaluating the Patent Office's response.

Although there are not a large number of high technology related companies involved in the cases reported herein, treatment by the various federal circuits is pertinent to all federal trademarks regardless of the goods or services to which the marks apply.

IV. CONSIDERATION OF PRIOR PATENT OFFICE DETERMINATIONS

A. *Subsequent Effect of Ex Parte Patent Office Determinations*

Although there have been no recent Supreme Court decisions considering the judicial effect of *ex parte* trademark determinations by the Patent Office, the Supreme Court's holding in *Brenner v. Manson* in 1966 indicates that such determinations would not be binding in subsequent infringement actions.⁴⁷ In finding that the Court had certiorari jurisdiction to review decisions of the Court of Customs and Patent Appeals (now the Federal Circuit), the Supreme Court stated that the Court of Customs and Patent Ap-

47. *Brenner v. Manson*, 86 S.Ct. 1033, 148 U.S.P.Q. 689 (1966).

peals is "a court established under Article III. . .," the decisions of which, are "final and binding in the usual sense."⁴⁸

Despite the broad character of the Supreme Court's language, the Supreme Court was careful to point out that a Court of Customs and Patent Appeals' determination of patentability in an *ex parte* appeal did not "preclude a contrary result in a subsequent infringement action, any more than issuance of a patent by the Patent Office or the decision in an earlier infringement action against a different infringer has that effect."⁴⁹ Because the patent appellate review process is substantially similar to the trademark review process,⁵⁰ the Supreme Court appeared to indicate that neither a Federal Circuit (Court of Customs and Patent Appeals) nor a Patent Office determination on registrability should be binding in a subsequent infringement action. However, the Supreme Court did not indicate what less than binding effect a Patent Office determination should be given in a subsequent infringement action.

Logically, as the judicial authority of the reviewing court or agency increases, so should the persuasiveness of the prior determination. However, in trademark cases, courts appear more likely to be influenced by an administrative Patent Office determination, than a determination of a district court, even though the court can control the agency. The apparent reason for this anomaly is that many courts are willing to defer the difficult decision regarding likelihood of confusion to the expertise of the administrative agency, such as the Patent Office,⁵¹ or even the Securities and Exchange Commission (SEC).⁵² In addition, unlike a normal review process, in which the reviewing authority within one level is exhausted before moving on to the next level, courts that determine the weight of an *ex parte* Patent Office determination in a subsequent infringement action may be faced with analyzing the weight of a decision reached at mid-level. For example, the attempted registration in question may have been abandoned after an initial rejection, second rejection, final rejection, after an opposition is filed, or at some other

48. *Id.* at 526.

49. *Id.* at 519.

50. 28 U.S.C. § 1295 (1986). *Ex parte* patent determinations appealed to a district court for a trial de novo are thereafter reviewed by the Court of Appeals, Federal Circuit, instead of the court of appeals embracing the district; *see supra* note 28. However, in cases involving trademarks and not patent or plant patent issues once an action is appealed to a district court, the right to appeal to the Court of Appeals, Federal Circuit, is lost.

51. *Communications Satellite Corp. v. Comcet, Inc.*, 429 F.2d 1245 (4th Cir. 1970); *Carling Brewing Co., Inc. v. Phillip Morris, Inc.*, 160 U.S.P.Q. 303, 297 F.Supp. 1330 (N.D. Ga. 1968).

52. *Communications Satellite Corp. v. Comcet, Inc.*, 429 F.2d 1245 (4th Cir. 1970).

stage within the Patent Office. Thus, rather than evaluating the final determination of the Patent Office, the court may be analyzing a decision abandoned shortly after the applicant began the application process.

It appears logical that courts would at least consider the level at which an application was terminated before making their own determination. Unfortunately, the reported proceedings of the district courts, or as reported in the appellate reports, are often cursory and do not note at which point most registration attempts within the Patent Office were extinguished. Although a few cases specify whether an application has been rejected once or twice, a majority of the courts treat a rejection at any level within the Patent Office in the same manner. Therefore, the courts do not find it necessary to specify the level at which the Patent Office decision was rendered.

In analyzing the following cases, the lack of a Supreme Court decision that conclusively delineates the issue herein addressed manifests itself as the primary reason for the differences among the various circuit court decisions. Although a circuit-by-circuit analysis may be a cumbersome way in which to address the law as it currently stands within the United States, it does provide a unique opportunity to illustrate the trends, patterns, and reasoning behind the decisions.

1. Circuits Substantially Influenced By Prior Determinations

Fourth Circuit courts have addressed the issue of the weight of a prior *ex parte* Patent Office determination twice. A Maryland district court found that Patent Office determinations, while not binding, should at least be entitled to consideration. In support, the district court stated that the issue of confusing similarity between the same marks had twice been presented to the Patent Office, once in an application for the same mark by a stranger, once by the plaintiff in the infringement action, and in both cases the Patent Office decided that the marks were not confusingly similar.⁵³ Thus, the court used the prior determinations of no confusing similarity to support its own conclusion that the marks were not similar on their face. Contrary to the pattern found in many cited cases, the plaintiff here had the prior Patent Office determination used against him, instead of against the defendant.⁵⁴

The Fourth Circuit Court of Appeals indicated a number of

53. *Wembly, Inc. v. Diplomat Tie Co.*, 216 F. Supp. 565, 580-581 (D.C. Md. 1963).

54. 216 F. Supp. 565, 582-583. Analysis of the issue of confusing similarity lead the

years later that it would go one step further than the district court and give other administrative determinations on the possibility of confusion between marks serious consideration.⁵⁵ In granting plaintiff, "Comsat," injunctive relief restraining defendant, "Comcet," from infringing upon plaintiff's registered servicemark, the court considered an SEC requirement that "Comcet" state in its prospectus that it was not related to "Comsat."⁵⁶ The court pointed out that the expertise of the SEC in matters of this kind should not be lightly put aside.⁵⁷ Thus, although the court was not following a Patent Office determination, it was still according substantial weight to the decision of an administrative agency in the area of determining likelihood of confusion.

The Eleventh Circuit is yet to have a court of appeals ruling on the issue of the subsequent effect of an *ex parte* Patent Office determination.⁵⁸ As a result, the district courts have mainly relied on *Carling Brewing Co., v. Phillip Morris, Inc.*, in which "Black Label" for cigarettes was found to infringe the registered mark "Black Label" for beer.⁵⁹ Defendant had received a final rejection in its attempt to register the mark. The record also indicated that various third parties had attempted registration of similar marks and had likewise been rejected. Although the district court did not find the prior determinations binding on the issue, the court found that the Patent Office's "day-to-day expertise in adjudicating cases wherein the ultimate question decided was the question of 'likelihood of confusion'" was entitled to respectful consideration.⁶⁰

Rather than simply state that the Patent Office's prior assessment of the marks was correct and supported the court's own conclusion, the *Carling* court went on to cite a portion of a ruling of an Assistant Commissioner which addressed the distinction between the right to use and the right to register.⁶¹ The Assistant Commissioner's ruling stated that a prior decision by a federal court on the right to use a mark would be determinative to any subsequent find-

court to inquire into plaintiff's use, whereupon the court found that plaintiff's marks were descriptive of functional features and were therefore invalid.

55. *Communications Satellite Corp. v. Comcet, Inc.*, 429 F.2d 1245 (4th Cir. 1970).

56. 429 F.2d 1245, 1249.

57. 429 F.2d 1245, 1251.

58. *Bonner v. City of Prichard*, 661 F.2d 1206 (11th Cir. 1981) (en banc) (all decisions of the Fifth Circuit handed down before October 1, 1981, are binding precedent in the Eleventh Circuit).

59. *Carling Brewing Co., Inc. v. Phillip Morris, Inc.*, 297 F. Supp. 1330 (N.D. Ga. 1968).

60. 297 F. Supp. 1330, 1337.

61. *Ex Parte Crown*, 102 U.S.P.Q. 312 (Dec. Comm'r Pat. 1954).

ings on the right to register the same mark. The Assistant Commissioner also stated that if there was no right to use, there could be no right to register, although the converse may not always be true. In other words, a denial of registration by the Patent Office may have no bearing on a court's determination of right to use. Therefore, it was completely within a court's discretion to follow any prior Patent Office determination.⁶² Evidently the *Carling* court not only found following the Patent Office determination within its discretion, but the court also chose to ignore the Assistant Commissioner's insistence that such prior proceedings were not to be given significant weight.

The reasoning behind the district court's reliance on the Patent Office determination may, however, find some support in that there was no real need for the court not to find a likelihood of confusion, due to similarities between the marks themselves. In the final rejection of the application for the mark "Black Label" for cigarettes, the Trademark Examiner declared that many beer drinkers smoke cigarettes as well as drink beer. "The two go hand in hand into the same mouth and it is consequently not seen how consumer confusion as to source could be avoided."⁶³

The district court evidently had a difficult time refuting such logic, as have two other Eleventh Circuit district courts, both of which have considered extremely similar marks. In addition, both have cited *Carling* as authority for the proposition that Patent Office determinations are to be accorded substantial weight.⁶⁴ A fourth Eleventh Circuit district court case held that a Patent Office Examiner's expert decision was entitled to great weight. However, in that case the Patent Office conclusively determined that defendant's mark "Taco Uno," which had initially been rejected on the basis of plaintiff's mark "Pizzeria Uno," was not confusingly similar to plaintiff's mark. Hence, the court found no infringement.⁶⁵

62. *Id.* at 314.

63. *Carling Brewing Co., Inc. v. Phillip Morris, Inc.*, 297 F. Supp. 1330, 1337 (N.D. Ga. 1968).

64. *Council of Better Business Bureaus, Inc. v. Better Business Bureau of South Florida, Inc.*, 200 U.S.P.Q. 282 (S.D. Fl. 1978) ("Better Business Bureau of South Florida" was found to be confusingly similar to "Council of Better Business Bureaus"); *Miss Universe, Inc. v. Little Miss USA, Inc.*, 212 U.S.P.Q. 277 (N.D. Ga. 1981) ("Little Miss USA" for young girls beauty pageant found to be confusingly similar to "Miss USA Beauty Pageant" for women).

65. *Pizzeria Uno Corp. v. Temple*, 218 U.S.P.Q. 425 (D.S.C. 1983) Although the court accorded the PTO decision great weight, it went on to consider an amalgam of additional factors. For a discussion of those factors, see *Sun-Fun Products, Inc. v. Suntan Research & Development, Inc.*, 656 F.2d 186, 189 (5th Cir. 1981).

The last of the circuits substantially influenced by prior *ex parte* Patent Office determinations is the Second Circuit, which accords the prior rulings more weight than any of the other circuits. In *Miles Shoes, Inc. v. R.H. Macy Co., Inc.*,⁶⁶ plaintiff's mark "Gropals" for shoes and hosiery was not entitled to registration over defendant's mark "GRO (representation of a tree) SHOE." The court, which was hearing the case on appeal from an *ex parte* Patent Office rejection reversed by the district court, likewise reversed the district court's decision and granted an injunction.

The *Miles Shoes* case established two important points. First, it questioned why the plaintiff chose the similar mark and speculated that there may have been a deliberate purpose to obtain some advantage from the trade which defendant had built. Second, the court held that absent evidence of actual confusion, the decision must rest on the court's conviction as to possible confusion. A factor for consideration would be the prior denial of registration, since the Patent Office's familiarity in dealing with such problems may properly be accorded substantial weight.⁶⁷

Unlike the fact pattern in a majority of the cases, this case was originally only an *ex parte* appeal, which in the normal course of events would not have involved the owner of the registered mark. For some reason, the plaintiff added a claim for declaratory relief of noninfringement, whereupon the owner of the registered mark was able to come in as a defendant and file a claim for infringement.⁶⁸ With the same court hearing both the *ex parte* registration appeal and the infringement cause of action, the court had little desire to rule twice on the issue of likelihood of confusion, or recognize any difference between the two tests.

Subsequent cases within the Second Circuit, all of which refer to preliminary Patent Office determinations and cite *Miles Shoes* as support, have continued to add to the weight given to Patent Office rejections and ignore the uniqueness of the *Miles Shoes* case. One 1969 case made particular reference to defendant's persistent use of a mark despite the Patent Office's denial of registration of the mark based upon a likelihood of confusion with plaintiff's mark.⁶⁹ The court then addressed the subsequent effect of defendant's continued use of the mark "Kiki," for tights, swim wear and sports wear. In

66. *Miles Shoes, Inc. v. R.H. Macy & Co., Inc.*, 199 F.2d 602 (2nd Cir. 1952).

67. 199 F.2d 602, 603.

68. 199 F.2d 602.

69. *Kiki Undies Corp. v. Promenade Hosiery Mills, Inc.*, 411 F.2d 1097 (2nd Cir. 1969).

addition to finding the use to be an infringement, the court stated that but for the district court's misconception regarding the burden of proving defendant's bad faith, a finding of bad faith could not very well have been avoided.⁷⁰

A year later, the same court found that additional acts by the infringer may significantly add to the court's findings of bad faith. The knowledge of the trademark owner's vigorous contesting of continued use of the mark, attempts to buy out the trademark owner's business, and lack of proof by the defendant of its good faith belief that the plaintiff's mark was not in use prior to the adoption of the defendant's mark may all be considered.⁷¹ Defendant attempted to register "Cuti-Trim" for cuticle clippers, but had been refused registration because of plaintiff's registered mark "Trim," for nail and cuticle clippers. Additional acts by the defendant, coupled with defendant's continued use of the mark "in the teeth of [two] Patent Office refusal[s] to register," led the court to agree with the district court's findings of bad faith and infringement.⁷²

In another case decided that same year, a district judge denied plaintiff's motion for summary judgment because he did not find the marks to be confusingly similar to the average viewer.⁷³ On motion for reargument, plaintiff produced a Patent Office *ex parte* rejection of defendant's mark based upon the likelihood of confusion to plaintiff's registered marks. Although the district judge stated that he was not bound by the Patent Office determination, he determined that the expertise of the trademark examiners entitled their view to respectful consideration. The district judge accordingly found the previously nonexistent confusion to exist, and without further analysis of the marks in question, stated that plaintiff would be entitled to summary judgment if plaintiff could show a likelihood of damages.⁷⁴

Subsequent decisions within the Second Circuit have been substantially influenced by Patent Office determinations. These courts have stressed similar factors in finding infringement⁷⁵ and bad faith

70. 411 F.2d 1097, 1101.

71. W.E. Basset Co. v. Revelon, Inc., 435 F.2d 656 (2nd Cir. 1970).

72. W.E. Basset Co. v. Revelon, Inc., 470 (S.D. N.Y. 1969) and approved by the Second Circuit upon review, W.E. Basset Co. v. Revelon, Inc., 435 F.2d 656, 660 (2nd Cir. 1970).

73. D.M. & Antique Import Corp. v. Royal Saye Corp., 311 F. Supp. 1261 (S.D.N.Y. 1969), *supplemental opinion, as modified*, (S.D.N.Y. 1970).

74. *Id.* at 1274.

75. Syntex Laboratories, Inc. v. Norwich Pharmacal Co., 437 F.2d 566 (2nd Cir. 1971) ("Vagestrol" for a prescriptive drug found to be confusingly similar to "Vagitrol" for a similar drug).

by a defendant⁷⁶ in adopting confusingly similar marks.

2. Circuits Less Persuaded by Prior Patent Office Determinations

In 1969, the First Circuit held that a district court was justified in going beyond the side-by-side comparison of marks, as practiced within the Patent Office.⁷⁷ The district court stated that it was free to consider other matters likely to influence the prospective purchasers. Other matters which a court may consider include the type of products on which the mark was used, the price of the products, and the types of customers likely to buy each parties' products.⁷⁸ Although the case did not directly involve a consideration of the weight of prior Patent Office determinations, the decision has formed the basis of a number of subsequent decisions.

In one of the more recent decisions, a Rhode Island district court found that "EXEC'MINDER," for business related materials was confusingly similar to the registered mark "EXECUTIVE'S WEEKLY MINDER" for similar products.⁷⁹ In granting plaintiff's motion for a preliminary injunction, the court noted that the Patent Office had refused to register defendant's mark on the basis of plaintiff's mark and had suspended further prosecution of the mark pending a determination in the infringement action. While the court reached the same conclusion as the Patent Office, the court stated that the preliminary Patent Office determination was of only limited usefulness. "At the level of the administrative process at which the determination was made, the determination could well have been based upon a doubt concerning the originality of the defendant's mark, and not upon a definitive finding that there was indeed confusion."⁸⁰

A trademark application for registration may be rejected for a number of reasons: likelihood of confusion, descriptiveness, genericness, or improper drawings. Although the district court above did not say whether defendant's mark had been rejected for more than one reason, the quote from the opinion indicates that there may have been two or more bases for rejection. In addition, the district court indicated that it was aware that there are various administrative levels within the Patent Office. All of these factors may have

76. Citibank, N.A. v. Citytrust, 596 F. Supp. 369 (E.D.N.Y. 1984).

77. R.G. Barry Corp. v. A. Sandler Co., Inc., 406 F.2d 114 (1st Cir. 1969).

78. 406 F.2d 114, 115.

79. Clark, Inc. v. Resnick, 219 U.S.P.Q. 619 (D.R.I. 1982).

80. *Id.* at 624.

led the district court to believe that the determination may not have been a full consideration of the issue of likelihood of confusion by the Patent Office, and of only questionable authority.

The Eighth Circuit did not consider a federal statutory infringement action in the one case it has decided. The case focused on the common law right to use a mark and have that mark protected if first appropriated and used in connection with a particular business.⁸¹ Plaintiff had previously registered "SweeTarts" for dried prunes, but had expanded its use of the mark to include candy products without obtaining a registration for such a use. Plaintiff, therefore, only had a common law right to use the mark for candy. Defendant selected the mark "SweeTarts" for a new hard candy product. Despite a trademark search that revealed plaintiff's identical mark, as well as other similar marks, defendant's president decided to take a "businessman's risk" and use the name.⁸²

Although the infringement action that followed was based on state common law, the test for infringement was still the "likelihood of confusion" between the marks. The court noted that the Patent Office had rejected defendant's application for registration on the basis of likelihood of confusion between defendant's mark and prior registered marks (including plaintiff's). In citing the prior Patent Office determination, the court stated that the prior decision could have no direct influence upon their decision, for "[w]e are concerned solely with the common law rights between the two parties."⁸³ However, despite the court's asserted independent evaluation of likelihood of confusion, defendant's mark was still found to infringe plaintiff's mark.

There is no known case in the Seventh Circuit which directly addresses the issue of the subsequent effect of a Patent Office "likelihood of confusion" determination. One case held that the "test for infringement is likelihood of confusion of the consumer; it does not depend upon the action or views of the Patent Office."⁸⁴ However, the court was referring to plaintiff's ill-founded reliance upon a Patent Office requirement that plaintiff disclaim a part of its mark, as proof that the nondisclaimed portion was the salient part of the mark. Instead of reciting the *ex parte* Patent Office proceeding as proof of likelihood of confusion, plaintiff was referring to the deci-

81. *SweeTarts v. Sunline, Inc.*, 380 F.2d 923 (8th Cir. 1967).

82. 380 F.2d 923, 925.

83. 380 F.2d 923, 925, n.1.

84. *Mr. Travel, Inc. v. V.I.P. Travel Service, Inc.*, 268 F. Supp. 958, 961 (N.D. Ill. 1966), *affirmed*, 385 F.2d. 420 (7th Cir. 1967). The decision on appeal only affirmed the basic holding and did not discuss the relevant portion of the prior decision.

sion in an attempt to show that defendant was infringing the salient part of its mark. Hence, plaintiff needed proof of what part of the mark was salient.⁸⁵ Although there is no way to determine whether the court intended its broad language to be interpreted to apply to prior decisions regarding the issue of likelihood of confusion, the decision can stand for the rule that blind acceptance of prior determinations should not be uniformly practiced.

In the Ninth Circuit, a plaintiff sought to register "Use AR-RID To Be Sure." This application was rejected by the Patent Office because the mark was descriptive and confusingly similar to defendant's mark "SURE." Plaintiff, the owner of the unregistered mark, brought an action for unfair competition and common law trademark infringement. Defendant counterclaimed for declaratory relief and to enjoin plaintiff from infringing defendant's registered mark. After a judgment for defendant, plaintiff asserted that defendant's mark should have been cancelled because it was descriptive. To support this proposition, plaintiff introduced the Patent Office determination, which found its own mark to be descriptive. Plaintiff stated that one portion of the determination should be used by the court against defendant, while at the same time asserting that the remainder of the rejection concerning likelihood of confusion should be ignored. Plaintiff's reasons for ignoring the adverse portion of the prior decision were that plaintiff abandoned the application and defendant had not previously asserted the prior determination as a defense.⁸⁶

The court noted plaintiff's inconsistent position concerning the weight of the Patent Office determination and stated that under the circumstances, "[a]ny such determination made by the Patent Office . . . must be regarded as inconclusive since made at its lowest administrative level."⁸⁷ The court then went on to hold that the Patent Office determination was "rendered even less persuasive still by the fact that the Office did not have before it the great mass of evidence presented to both the District Court and the Appellate Court in support of the claims."⁸⁸ The court still affirmed the district court's judgment for defendant in the counterclaimed infringement action. Thus, the court indirectly supported the Patent Office determination. Furthermore, no subsequent court has cited this portion of the court's holding for support of a similar position. However,

85. *Id.*

86. *Carter-Wallace, Inc. v. Proctor & Gamble Co.*, 434 F.2d 794 (9th Cir. 1970).

87. 434 F.2d 794, 802.

88. 434 F.2d 794, 802.

the case has been repeatedly followed on other issues and appears to be highly regarded.

A recent district court decision from the Central District of California found that a prior uncontested administrative action could be accorded some consideration.⁸⁹ As a district court decision in contravention of the circuit court's precedential holding, it is questionable that such a decision will carry much weight in subsequent litigation.

An even more recent decision of the Sixth Circuit appeared to directly address the issue of the weight of a patent office determination in a subsequent infringement action.⁹⁰ Among the issues on appeal was appellant's claim that the district court had failed "to consider a prior opinion of the United States Trademark Office Examiner that a likelihood of confusion exists between appellant's and Thomas' use of the marks CLASSIC and CLASSIC car wash on their goods and services." Although the circuit court held that determinations by the Patent Office on registerability are "prima facie evidence" of the registrant's exclusive right to use the mark on the goods or services specified in the registration, the court was only referring to determinations regarding Appellant's right to register its marks. However, the court did state that the district court erred by examining the two marks side-by-side in the infringement action,⁹¹ thereby indicating that if the district court was wrong in making a determination of likelihood of confusion based on the right to register test, then use of a Patent Office determination based on the same test would likewise be improper.

3. Ex Parte Circuit Decisions in Summation

Both the Fourth and Eleventh Circuits have accorded Patent Office determinations substantial weight in subsequent infringement actions. The Second Circuit not only accords such determinations substantial weight, but in the Second Circuit, continuing to use a mark after a rejection is likely to result in a finding of bad faith by the infringer.

In contrast, the First Circuit, while not completely disregarding Patent Office determinations, has recognized that many such rulings should not be relied on in subsequent actions because of the

89. *Cynthia Grey v. Campbell Soup Company*, 231 U.S.P.Q. 562, 567 (C.D.Cal. 1986) (defendant's marks "Dogiva" and "Cativa," for pet food packaged in foil wrapped boxes, was found to infringe registrant's mark "Godiva" for chocolates wrapped in gold foil).

90. *Wynn. Oil Co. v. Thomas*, No. 86-5824 (6th Cir. Feb. 24, 1988).

91. *Id.* at 7-8.

administrative nature of the Patent Office's decision. The Seventh and Eighth Circuits have not directly ruled on the effect of Patent Office determinations in subsequent federal infringement actions. However, there appears to be a possibility that these circuits would stress independent evaluation of the marks over blind acceptance of any prior determination. The Ninth Circuit has determined that an *ex parte* Patent Office determination may be inconclusive due to its low level administrative nature. Any such finding by the Ninth Circuit would be bolstered by a change of circumstances during the period between the registration application and the infringement action.

B. *Subsequent Effect of Inter Partes Patent Office Determinations*

1. Collateral Estoppel and Res Judicata Effect

The Supreme Court stated in *Brenner*⁹² that prior *ex parte* Patent Office determinations were not binding in subsequent infringement actions. The Supreme Court did not elaborate as to what this binding effect was, and why it did not apply to prior *ex parte* decisions. In stating that the prior decisions were not binding, the Court meant that neither res judicata nor collateral estoppel were available to prevent adjudication of the issues in the subsequent action.

Under the doctrine of res judicata, a final judgment on the merits in one suit bars a subsequent suit involving the same parties or their privies arising out of the same set of operative facts based on the same cause or causes of action.⁹³ There are four basic elements of collateral estoppel:

- (1) That the previously decided issue be identical to the one currently before the court;
- (2) That there was a final judgment on the merits in the prior action;
- (3) That the party against whom collateral estoppel is asserted was a party (or privy) in the prior action;
- (4) That the party against whom collateral estoppel is asserted had a full and fair opportunity to litigate the issues in the prior action.⁹⁴

92. *Brenner v. Manson*, 86 S. Ct. 1033, 148 U.S.P.Q. 689 (1966).

93. *Lawlor v. National Screen Service Corp.*, 75 S.Ct. 865, 867, 99 L.Ed 1122, 1126 (1955).

94. *Aloe Creme Laboratories, Inc. v. Aloe 99, Inc.*, 170 U.S.P.Q. 538 (TTAB 1971), *rev'd on other grounds*, 179 U.S.P.Q. 491 (CCPA 1973) (for application in trademark cases);

In *ex parte* rejection actions, cited in subsequent infringement actions, *res judicata* would not be applicable because the registration application and the infringement action are not the same cause of action. Similarly, under collateral estoppel, one could argue that the previously decided issue was not identical (right to register versus right to use), that the Examiner's decision was not a final judgment (because it was an administrative determination), and that a full and fair opportunity to litigate the right to use was not presented in the Patent Office action.

While the two doctrines cannot generally be used when the prior determination was *ex parte*,⁹⁵ they take on new life when the prior decision was an *inter partes* proceeding between the same parties.⁹⁶ Many applicants can have an application for registration of a mark approved by the Examiner before running into problems, such as having the registration opposed or being subject to a cancellation proceeding prior to being sued for infringement. Therefore, it is necessary to determine how prior *inter partes* determinations are treated in subsequent infringement actions between the same parties.

2. Inter Partes Circuit Decisions in Summation

Although *ex parte* related cases divide evenly into two basic groups, *inter partes* related cases are much more convoluted and do not easily divide. In part, the lack of divisibility is due to factual discrepancies from case to case caused by changing patterns within several of the circuits. Some of the courts had started out following one line of decisions within a circuit and then later switched to a conflicting view without referring to the status of the prior decisions. Another factor that distinguishes the *inter partes* cases from the *ex parte* cases is the level of review that the former cases have reached in comparison to the level reached by the latter cases.

The highest level of review in any of the reported *ex parte* cases was a Commissioner's (Appeals Board) ruling.⁹⁷ The remainder of

see also *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 91 S.Ct. 1434 (1971) (accepted by Supreme Court for application in patent cases).

95. The Appeals Board has held that the preclusive effect of prior proceedings are not necessarily negated by their *ex parte* nature or by the fact that the opposer in a subsequent *inter partes* action was not a party to the prior action, at least so far as the issue of functionality is concerned. *Lukens Inc. v. Vesper Corporation*, 1 U.S.P.Q. 2d 1299, 1301 (TTAB 1986).

96. *Los Angeles Bonaventure Company v. Bonaventure Associates*, 4 U.S.P.Q. 2d 1882 (TTAB 1987) (prior opposition proceeding involving a different party cannot have a *res judicata* effect in a subsequent action, and although collateral estoppel may apply, it may not be appropriate when under consideration for summary judgment).

97. *Supra* note 66.

the determinations terminated within varying levels of the examination process. In comparison, most *inter partes* proceedings do not start until the mark in question has passed the examination stage, and may be initially litigated before the Appeals Board. Accordingly, the higher a Patent Office determination was allowed to proceed, the greater the probability that the court in subsequent infringement actions would be swayed. A concurrent result can be projected for *ex parte* related cases.

A number of courts attempt to draw a distinction between Patent Office determinations based on the right to register a mark and infringement proceedings based on the right to use the mark. Those courts that find any distinction between the two tests at all go on to consider other factors. Those courts that do not find a distinction will usually collaterally estop a party from denying a likelihood of confusion determination made in a prior *inter partes* proceeding between the same two parties and the same two marks.

The additional factors considered by some of the courts, or the reason why collateral estoppel was not warranted, concern the alleged infringer's ability to present additional use-related evidence that would not have been available in the prior proceeding. The amount of additional evidence required varies from court to court. A number of courts find that a Patent Office determination is controlling unless the contrary can be established by thoroughly convincing evidence. Other courts find any additional evidence over what was before the Patent Office to be sufficient to halt application of collateral estoppel. In line with this reasoning, a change in facts, such as market conditions, uses, customers, business volume, and advertising, during the interim period between the *inter partes* proceeding and the infringement action, would often be sufficient to deny use of collateral estoppel.

The three general paths guiding the circuits are as follows: (1) those circuits that recognize the right to use-right to register distinction and consider additional factors before evaluating what, if any weight, the prior determination should have (the additional factors rule); (2) those circuits that hold the prior determination controlling unless contrary evidence is sufficient to carry a thorough conviction (the controlling absent thoroughly convincing contrary evidence rule); and (3) those circuits which hold that Federal Circuit decisions, as well as other lower level decisions, are to be accorded complete binding effect on all issues and questions of fact actually litigated and determined in the prior determination (the binding rule). However, as was stated earlier, if a circuit has con-

fronted the issue more than once, there is a good chance that the circuit has mixed together two or three of the paths.

a. Circuits Following the Additional Factors Rule

In a 1946 infringement action, the First Circuit stated that an Assistant Commissioner's (Appeals Board) decision in an opposition proceeding could be entitled to weight, yet under the circumstances of the case in question, the prior decision was not controlling.⁹⁸ The Appeals Board determination involved an opposition proceeding in which the plaintiff acquired registration of a red ball mark for application to soles and heels of shoes. The defendant was attempting to register a red oval mark for similar applications. The court, in affirming an interlocutory decree denying plaintiff relief for trademark infringement, recognized that other factors, apart from side-by-side comparison of the marks and goods, should be considered before a finding of infringement could be rendered. These additional factors included: (1) the absence of evidence of actual confusion in the minds of purchasers due to such use; (2) the infliction of little injury upon the plaintiff; (3) defendant's maintenance of relatively good quality in the goods; and (4) defendant's principal business confinement to a market in which the plaintiff was inactive.⁹⁹

A second case within the same circuit held that a prior Court of Customs and Patent Appeal's (Federal Circuit) determination in an opposition proceeding, which determined confusing similarity with regard to the marks alone, could not be used to estop the plaintiff from presenting evidence in conformance with Minnesota law.¹⁰⁰ Minnesota common law regarding trademark infringement, at that time, considered whether ordinary purchasers under ordinary circumstances exercising ordinary care, would be deceived as to the source of a product.¹⁰¹ The court denied defendant's motion for summary judgment in the infringement action. Although the Court of Customs and Patent Appeals had decided that the marks were not confusingly similar under 35 U.S.C. 1052(a),¹⁰² a test which is similar to the likelihood of confusion test under 35 U.S.C. 1052(d), neither of the two tests were considered sufficiently similar

98. *Mishawaka Rubber Co. v. Panther-Panco Rubber Co.*, 153 F.2d 662 (1st Cir. 1946).

99. 153 F.2d 662, 664.

100. *Mayo Foundation v. Poxsee Food Corp.*, 183 U.S.P.Q. 355 (D. Minn. 1974) ("Mayo" for a medical institution versus "Mayo 7" for imitation mayonnaise).

101. *Id.* at 358.

102. 35 U.S.C. 1052(a) (1986). This section requires that registration be denied if a mark sought to be registered confusingly suggests connection with an institution.

to Minnesota law. The distinction between Minnesota law and the federal statutes rendered the prior decisions on the issues incapable of having collateral estoppel effect.¹⁰³

Previously discussed *ex parte* Second Circuit decisions appeared to almost apply collateral estoppel to the issue of likelihood of confusion. However, an indication that the circuit may be moving away from its earlier extreme stance can be found in a number of decisions.

A district court from the Southern District of New York refused to grant a stay of an infringement action pending a determination in an opposition proceeding before the Trademark Trial and Appeals Board. Although the *inter partes* action was between the same two parties and concerned the issue of likelihood of confusion, the court did not feel that the parties in the infringement action should be affected by a right to register decision of the Appeals Board.¹⁰⁴ The court also stated that it could understand deferring the trial until the Patent Office acted, if the "case presented intricate technical questions or highly specialized subject matter," such as might be found in a patent case.¹⁰⁵ However, the court noted that in both the present case, and the Appeals Board opposition proceeding, the common question concerned the likelihood of confusion, the determination of which did not "appear to require any major application of highly specialized principles or expertise."¹⁰⁶

In 1984, another district court from the southern district of New York held that while the Court of Customs and Patent Appeals (Federal Circuit) is an Article III court,¹⁰⁷ and its findings may have estoppel effect, use of the doctrine in the case being considered would not promote judicial economy because the plaintiff sought to assert the doctrine offensively.¹⁰⁸ Plaintiff sought a motion for summary judgment based on the doctrine of collateral estoppel. For support of its motion, plaintiff cited the Court of Custom and Patent Appeal's prior determination in the opposition proceeding that "Plus" for health products was confusingly similar

103. *Mayo Foundation v. Poxsee Food Corp.*, 183 U.S.P.Q. 355 (D. Minn. 1974).

104. *Tuvache, Inc. v. Emilio Pucci Perfumes Int'l, Inc.*, 263 F. Supp. 104, 106 (S.D.N.Y. 1967).

105. *Id.* at 105.

106. *Id.* at 106.

107. *Supra* note 48.

108. *Plus Products v. Natural Organics, Inc.*, 223 U.S.P.Q. 27 (S.D.N.Y. 1984), *citing* *Parklane Hosiery Co., Inc., v. Shore*, 439 U.S. 322, 329-330 (1979) to support its position that holding otherwise would encourage the plaintiff to bring additional actions because he could prevail on the grounds of the previous decisions.

to "Nature's Plus" for similar products.¹⁰⁹

The court stated that the Court of Customs and Patent Appeals' determination was only based on a side-by-side comparison of the marks and the products on which they appeared during the 1970's. Since that time, the market, consumers, volume of business and advertising of the parties changed substantially. Thus, in denying plaintiff's motion for summary judgment, based on the estoppel effect of the Court of Customs and Patent Appeals' ruling, the court stated the Court of Customs and Patent Appeals' determination on likelihood of confusion may be totally irrelevant.¹¹⁰ Neither case was directly on point regarding the subsequent weight of prior determinations in the infringement action. However, the cases do provide an interesting contrast to the Second Circuit's treatment of prior *ex parte* determinations.¹¹¹ Logically, a prior *inter partes* proceeding involving the same parties should have a collateral estoppel effect in a subsequent action before an *ex parte* determination would. The cases have not developed in that manner.

In finding "Perma-Stone" and "Perma-Rock" for similar construction materials not to be confusingly similar and no infringement, a Maryland district court emphasized that there was more to an infringement analysis than the side-by-side analysis practiced within the Patent Office.¹¹² The court found the Court of Customs and Patent Appeals' opposition determination was entitled to respectful consideration. "However, a comparison of the record in the Patent Office proceeding with the record in this case at bar shows that the relevant facts have been more fully developed in this court."¹¹³ Thus, at least one district court in the Fourth Circuit recognizes the registration-use distinction, and the questionable authority of low level Patent Office determinations. In addition, the court will also disregard the doctrine of collateral estoppel when presented with additional evidence.

*b. Circuits Following the Controlling Absent
Thoroughly Convincing Contrary Evidence
Rule*

A question concerning the binding effect of an *inter partes* district court determination was presented in *American Heritage Life*

109. *Plus Products v. Natural Organics, Inc.*, 223 U.S.P.Q. 27 (S.D.N.Y. 1984).

110. *Id.* at 28-29.

111. *Supra* notes 66-76.

112. *Perma-Stone Co. v. Perma-Rock Products, Inc.*, 160 F. Supp. 616 (D.Md. 1958).

113. 160 F. Supp. 616, 619.

*Ins. Co. v. Heritage Life Ins. Co.*¹¹⁴ Heritage had attempted to register "Heritage" but was successfully opposed in an Appeal Board action by American. American then filed for the same mark and was granted registration. Heritage subsequently appealed the Appeals Board ruling to the District Court for the Middle District of Florida for a trial de novo. This suit was dismissed with prejudice because Heritage failed to state with particularity any new evidence, which if proved, would justify the court in setting aside the prior ruling.¹¹⁵ American then brought an infringement action in a Texas District Court in which Heritage counterclaimed for cancellation.

The Texas District Court dismissed the infringement action and cancelled American's mark because of lack of distinctiveness. The court held that a trial de novo on appeal to a district court from the Appeals Board is indicative of Congress' intent not to invoke res judicata or collateral estoppel in such cases. While the court acknowledged that, in substance, the same parties were fighting over the same name in both actions, the questions of law and fact and the relief sought in the registration action were fundamentally different from that presented in the infringement action.¹¹⁶ Thus, the court's determination was contrary to the result in the Patent Office determination.

However, the court expressly stated that the lack of binding effect did not prevent the Patent Office determination from being entitled to great weight. In the context of a direct appeal from a Patent Office determination, or in an infringement and cancellation action, prior findings as to likelihood of confusion, descriptiveness, and priority "must be accepted as controlling, unless the contrary is established by evidence which in character and amount carries thorough conviction, notwithstanding that the case is heard de novo in the district court."¹¹⁷ However the court did qualify this ruling to extend only to findings made by the Patent Office in quasi-judicial, adversarial proceedings between the same parties. The qualification means that the court would not include *ex parte* proceedings under this rule.

The Ninth Circuit apparently recognizes the distinction between the right to register test (Sec. 1052(d)) and the right to use

114. *American Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3 (5th Cir. 1974).

115. *American Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 145 U.S.P.Q. 413 (M.D.Fl. 1965).

116. *American Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 9-10 (5th Cir. 1974).

117. 494 F.2d 3, 9-10.

test (Sec. 1119(1)), as is illustrated by its lone *ex parte* decision.¹¹⁸ However, the circuit court has held that a district court's findings in a de novo opposition proceeding are controlling in a subsequent infringement action, unless the contrary can be established by testimony which in character and amount carries thorough conviction.¹¹⁹ In reading the latter decision, the Ninth Circuit court did not cite its prior ruling that held that Patent Office determinations must be regarded as inconclusive, since made at the lowest administrative level.¹²⁰

The court's failure to look to its single prior decision in the area might be attributable to the fact that the opposition proceeding passed from the Appeals Board to a district court for a trial de novo. The Ninth Circuit appears to have come closest to making a distinction between the various levels of review, but the court has still not delineated what determinations, from an initial rejection to an Appeals Board ruling, are considered to be low level administrative determinations.

The Eleventh Circuit, on the other hand, follows the *American Heritage* decision of the Fifth Circuit. The Eleventh Circuit determined that prior Appeals Board opposition determinations were not intended by Congress to have a binding effect on subsequent actions due to the ability of the district courts to rehear Appeals Board decisions de novo. "In this Circuit, a court hearing an infringement claim is not legally and conclusively bound by a prior decision of the [Appeals Board] regarding the same trademark in dispute."¹²¹ The court noted that some decisions by other circuits, such as those followed in courts holding *inter partes* Patent Office determinations to be binding in subsequent infringement actions, would not apply in the Eleventh Circuit.¹²²

c. *Circuits Following the Binding Rule*

A Third Circuit case held that plaintiff's infringement action did not need the support of a finding that defendant's failure to respond to an opposition action was an admission of confusing similarity. The court stated that the defendant's failure to respond, as well as prior proceedings leading up to that action, were entitled to

118. *Wells Fargo & Co. v. Stage Coach Properties, Inc.*, 216 U.S.P.Q. 481, 483 (9th Cir. 1982). *But see* *Carter-Wallace, Inc. v. Proctor & Gamble Co.*, 434 F.2d 794 (9th Cir. 1970).

119. *Wells Fargo & Co. v. Stage Coach Properties, Inc.*, 216 U.S.P.Q. 481, 483 (9th Cir. 1982).

120. *Carter-Wallace, Inc. v. Proctor & Gamble Co.*, 434 F.2d 794 (9th Cir. 1970).

121. *Freedom Savings and Loan Ass'n. v. Way*, 226 U.S.P.Q. 123, 125 (11th Cir. 1985).

122. *Id.* at 125 n.2.

no weight.¹²³ The same court, twenty-one years later, in denying a motion for preliminary injunctive relief by plaintiff, found an Appeals Board cancellation decision to have no controlling effect on a subsequent court's hearing of an infringement action, especially where there had been factual changes in the record before the Patent Office.¹²⁴

Another case within the same circuit, heard one year prior to the first case, found a Court of Appeals for the District of Columbia decision in a cancellation proceeding to be *res judicata* to that cause of action in a subsequent infringement action. The binding effect was limited only to matters which were actually litigated and previously decided. The cancellation proceeding was appealed for a trial *de novo* to the District of Columbia, and subsequently an appeal was filed with the Appellate Court. The court noted in the infringement action before a Delaware district court that the only issues considered in the prior rulings had been the validity of plaintiff's assignment of title and priority of use. Thus, the issue of likelihood of confusion had not been addressed and could not therefore be relied on in the infringement action.¹²⁵

The most recent decision in the Third Circuit follows the "Additional Factors Rule." A different district court in the same circuit follows the "Binding Rule." Because both of the courts are on equal standing within the same circuit, neither controls, thus any upcoming decisions within the circuit could go either way, or even take a different route.¹²⁶

A 1970 Sixth Circuit district court opinion cites the Supreme Court's holding in *Brenner* to support its determination that decisions of the Court of Customs and Patent Appeals (Federal Circuit) are final and binding in infringement actions.¹²⁷ As discussed earlier, *Brenner* only excluded *ex parte* determinations from being accorded binding effect. Thus, the district court interpreted the Supreme Court's omission to mean that a Court of Customs and Patent Appeals' ruling on likelihood of confusion in an *inter partes*

123. Williamson-Dickie Mfg. Co. v. David Mfg. Co., 112 U.S.P.Q. 383 (E.D. Pa. 1957).

124. Irving-Cloud Publishing Co. v. Chilton Co., 201 U.S.P.Q. 772, 775 (E.D. Pa. 1978).

125. Old Charter Distillery Co. v. Continental Distilling Corp., 108 U.S.P.Q. 165 (D. Del. 1956).

126. A Third circuit district court hearing an appeal from the Trademark Trial and Appeals Board held the findings of fact made by the Appeals Board were to be given great weight and are not to be upset unless new evidence is introduced which in character and amount carries thorough conviction. *Harbur Associates v. Docktor Pet Centers Inc.*, 1 U.S.P.Q. 2d 1423, 1424 (E.D. Penn. 1986).

127. Libbey-Owens-Ford Glass Co. v. Shatterproof Glass Corp. 165 U.S.P.Q. 335 (E.D. Mich. 1970).

action was determinative to the issue in all regards. In making this decision, the court apparently ignored any difference between determinations based on right to use and those based on right to register.

The court's final determination limited the sweeping effect of its previous language only to issues and questions of fact actually litigated in the prior action. Thus, the court denied plaintiff's motion for summary judgment pending a determination of other issues previously litigated.¹²⁸

In 1949, the Court of Appeals for the Seventh Circuit originally determined that Court of Customs and Patent Appeals' *inter partes* determinations were not decisive of the issue of infringement in subsequent cases.¹²⁹ The court cited an earlier Seventh Circuit ruling for this proposition,¹³⁰ which had in turn been based on a Supreme Court decision that was said to be statutorily outdated by the Court's decision in *Brenner*.¹³¹

In an apparent attempt to avoid all of the confusion presented by the Court of Appeals' decision, an Illinois district court, without citing any of the three prior cases for support, determined that a Patent Office interference decision was irrelevant in a subsequent infringement action.¹³² The district court's determination was primarily based on the difference between the right to register a mark and the right to use a mark.¹³³ However, this case was not cited in a later action that found an Appeals Board opposition proceeding to be entitled to great weight, especially in the absence of substantial evidence that contradicts the Appeals Board's findings.¹³⁴

Furthermore, in 1983, another Illinois district court stated that the plaintiff, who had been unsuccessful in opposing defendant's mark before the Federal Circuit, had made a good point concerning the differences between right to use and right to register. However, such a distinction was to be disregarded when considering the collateral estoppel effect of Federal Circuit decisions.¹³⁵ To support this ruling, once again the omissive language in *Brenner* was cited.

The 1983 Seventh Circuit district court opinion was almost en-

128. *Id.* at 336.

129. *Syncromatic Corp. v. Eureka Williams Corp.*, 174 F.2d 649 (7th Cir. 1949).

130. *John Morrel & Co. v. Doyle*, 37 U.S.P.Q. 565 (7th Cir. 1938).

131. *Brenner v. Manson*, 86 S.Ct. 1033, 148 U.S.P.Q. 689 (1966); *contra Postum Cereal Co. v. California Fig Nut Co.*, 272 U.S. 693 (1927).

132. *Oakford Co. v. Kruger Co.*, 116 U.S.P.Q. 430 (S.D. Ill. 1957).

133. *Id.* at 434.

134. *See Scientific Film Co., Inc. v. Scott Foresman & Co.*, 171 U.S.P.Q. 525 (N.D. Ill. 1971).

135. *E.Z. Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 223 U.S.P.Q. 161, 568 F. Supp. 1229 (N.D. Ill. 1983).

tirely based upon an Eighth Circuit opinion that determined that a Court of Customs and Patent Appeals' cancellation ruling was binding on the issue of likelihood of confusion in a subsequent infringement action.¹³⁶ Once again, when a court decided that collateral estoppel should apply, it expressly based the decision on the grounds that no distinction existed between the right to use and the right to register tests.¹³⁷

3. *Potential Effect of Proposed Lanham Act Reforms*

The United States Trademark Association released the results of its two-year study of the Lanham Act on September 22, 1987.¹³⁸ Subcommittees in both the House and Senate are reported to be currently in the process of drafting legislation that will incorporate the proposed legislative reforms. Although the study is not directly relevant to the issues addressed by this comment, the study does recommend adopting a dual system of registration which may affect how courts view the dichotomy between determinations based on the right to use and those based on the right to register.

The proposed dual system would permit applications on the principal register to be based on either use in commerce or intent-to-use in commerce. Applicants filing under the intent-to-use system would have an extendable six month period from the notice of allowance to commence use in commerce and to file a declaration of such use.¹³⁹

Under the new system, registration could not be perfected without use. No action based on the mark could be filed until registration was perfected. Likewise, no "intent-to-use" party, alleging likelihood of confusion, could obtain a final judgment from the Patent Office sustaining an opposition or cancellation petition from a court granting injunctive relief until registration was perfected with registration on the principal register. It is possible for an applicant, who is relying on a prior filing date and alleging likelihood of confusion, to successfully oppose or cancel another mark without commencing use provided the applicant obtained registration first.¹⁴⁰

Many persons,¹⁴¹ and the courts,¹⁴² already apparently confuse

136. *Flavor Corp. of America v. Kroman Ind. Inc.*, 493 F.2d 275 (8th Cir. 1974).

137. *Id.* at 292.

138. BNA's PATENT, TRADEMARK & COPYRIGHT J., Vol. 34, No. 848, 533-34 (Sept. 24, 1987).

139. *Id.* at 541.

140. *Id.* at 541.

141. Honorable Giles S. Rich, *Role of the Court of Custom and Patent Appeals*, in CON-

the role of the Patent Office in *ex parte* and *inter partes* proceedings. By allowing the Patent Office to grant registration subject to subsequent use, further confusion may result. There is a possibility that some courts will interpret the registration to be a determination as to the applicant's right to use the mark, rather than applicant's right to register the mark. However, the potential benefit of an intent-to-use registration system far outweighs the potential risk that such a system will only add to the confusion of those trying to interpret Patent Office decisions. Adequate attention must be directed to the past problem of confusion and the potential problem of additional confusion regarding right to register and right to use. If these problems are recognized, there is at least a potential for future decisional uniformity with regard to the role of the Patent Office in the registration process.

V. CLEARING THE AIR OF CONFUSION

Due to the Supreme Court's clear language in *Brenner*, there is no dispute among the circuits as to whether an *ex parte* decision is binding in the subsequent infringement action. However, the Supreme Court's omission of language addressing the weight of all Patent Office determinations, and the binding effect of *inter partes* determinations in subsequent infringement actions, has done more to confuse issues than the remainder of the Supreme Court's decision has done to clarify issues.

Given the wide variation in rulings among the circuits, there is a low probability of the conflicting opinions being independently justified. Thus, the only real means by which to settle the issue is to convince the Supreme Court to grant certiorari in a related case. Yet, as was earlier noted, many practitioners have given up hope that the Supreme Court will grant certiorari to a trademark case. Even if practitioners petitioned the court, and clients were willing to pay the money, there is certainly no guarantee that the Court would reverse its policy of refusing certiorari in trademark cases.

Absent a sure means of clearing up the conflict, a possible alternative is to lobby Congress to change the infringement or registration tests to clearly define distinctions between the likelihood of confusion analysis that is common to both statutes. The practicality and likelihood of success of this alternative, or some other ap-

TEMPORARY TRADEMARK PROBLEMS IN CONTESTED PATENT OFFICE PROCEEDINGS (R. Oziel ed. 1969).

142. *E.Z. Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 568 F. Supp. 1229 (N.D. Ill. 1983).

proach, is probably no greater than the guarantee of being granted certiorari to the Supreme Court.

Seeing that there is no readily available means of controlling the decisions of the circuit courts, the next best way to guide decisions may be to provide the circuits with an authoritative body that can be looked to for direction. In this regard, an analysis of how the Patent Office treats its own prior determinations can be helpful.

Both the Court of Customs and Patent Appeals (Federal Circuit) and the Appeals Board have consistently held that *ex parte* decisions, by each court respectively, cannot preclude de novo *inter partes* consideration of the same issue at a later time.¹⁴³ Thus, neither court is willing to accord weight to prior determinations made within the Patent Office when hearing a subsequent decision considering similar matters. In support of this position, the Appeals Board has stated that Section 17 of the Lanham Act specifically directs the Board to determine the respective rights of the parties through independent determinations.¹⁴⁴

Two additional factors that support the premise that initial Patent Office *ex parte* determinations, and even *inter partes* determinations, should not be given weight in subsequent determinations, can be found in 37 C.F.R. Sec. 2.67¹⁴⁵ and 15 U.S.C. Sec. 1119.¹⁴⁶ Section 2.67 allows a proceeding within the Patent Office to be suspended for a certain period of time on a showing of good cause. Other related proceedings pending before the Patent Office, or courts of higher authority, are considered to be of sufficient cause. Section 2.67 illustrates that the Patent Office is more than willing to concede its duty to make certain decisions anytime a higher authority will address a related issue that could affect its decision. Section 1119 states that a court hearing a case involving a registered mark has the right to determine the right to registration, which can mean ordering cancellation or restoration of a registered mark. Section 1119 further illustrates that Congress intended to place Patent Office administrative determinations at the bottom of the chain of au-

143. "This Board is not bound by the fact that the Office has - perhaps improvidently - granted or denied registrations of similar subject matter for the same or similar goods and services." *Abraham's Seed v. John One Ten*, 1 U.S.P.Q. 2d 1230, 1233 (TTAB 1986); *In re Stark*, 172 U.S.P.Q. 402, 406 (CCPA 1972 (concerning *ex parte* patent proceedings)); *Krug Vins Fins de Champagne v. Rutman Wine Co.*, 197 U.S.P.Q. 572 (TTAB 1977) (which held that an Examiner's rejection of a mark and withdrawal of the rejection means nothing in a subsequent *inter partes* determination).

144. *Krug Vins Fins de Champagne v. Rutman Wine Co.*, 197 U.S.P.Q. 572 (TTAB 1977); *Gruen Ind., Inc. v. Ray Curran & Co.* 152 U.S.P.Q. 778 (TTAB 1967).

145. 37 C.F.R. § 2.67 (1986).

146. Lanham Act § 37, 15 U.S.C. § 1119.

thority in trademark cases. Thus, the Federal Circuit, the Patent Office, and Congress apparently feel that Patent Office determinations should not be of any particular significance in subsequent similarly related actions and should be submissive, not determinative, to the later proceedings.

VI. CONCLUSION

As can be seen from the previous discussion, prior *ex parte* Patent Office determinations are not binding in subsequent infringement actions, and are considered of questionable weight by half of the circuits. Yet, in every single one of the infringement actions, the courts consistently followed the Patent Office determination despite language of independence by the courts. "The courts usually state that the decision of the Patent Office in subsequent litigation between the parties is entitled to great weight, but it is not controlling. Although this is their statement, the cases most often cited for this proposition seem to go the other way."¹⁴⁷ This may be because the courts are either subconsciously swayed by the prior rulings, or because every case that came before the court involved very similar marks. Nevertheless, the results are such that if the prior determination is adverse to the applicant's interest, then the applicant is best to avoid the subsequent litigation.

In contrast, *inter partes* related cases are evenly split as to whether the subsequent infringement action follows the prior ruling. A majority of the cases that did not follow the Patent Office determination consisted of those cases in which a considerable amount of time had passed between the prior ruling and the subsequent action. Therefore, the only reasonably sure means for an applicant to avoid losing in the infringement action is to make sure a couple of years pass and some of the material facts change before being sued. With the last two alternatives being out of the applicant's control, the applicant may be destined to lose if sued for infringement.

The simplest and most pervasive conclusion that can be drawn from the rulings of the various courts is that the marks reported herein were actually too similar (regardless of whether intentional or coincidental) in either appearance or sound. Due to the actual physical similarity between the marks, judges often had a difficult time reaching an independent conclusion. Thus, the judges either

147. A. Robin, —*When, How and Where* in CONTEMPORARY TRADEMARK PROBLEMS IN CONTESTED PATENT OFFICE PROCEEDINGS (R. Oziel ed. 1969).

followed the Patent Office determination because the Patent Office ruling was correct, or because the decision was much easier to make when the judge considered that someone else, who regularly makes this type of decision, had previously decided the same issue.

Taking into consideration all of the above, an attorney could be doing an applicant an enormous favor by suggesting that filing for registration be delayed until a thorough search can be completed, or simply informing the applicant that it is within the applicant's best interest to adopt a different mark. A trademark search is relatively inexpensive,¹⁴⁸ and it is well settled that the advice of counsel, based upon confidential communications of a client, is privileged from discovery.¹⁴⁹ In reality, however, many clients do not consider obtaining trademark protection until after they have established the mark, which may make the mark too expensive to simply abandon.¹⁵⁰ If the applicant has used the mark without conflict, the applicant may be able to continue to be ignored or unnoticed by the owner of the mark. In such a situation, attempting registration of a questionable mark may very well bring unwanted attention to the applicant's use.

Finally, if registration of a questionable mark has been attempted and rejected, it would be in the applicant's best interest to terminate the application process while still within the administrative level of the Patent Office. If a mark is questionable, but not blatantly similar to a registered mark, some attorneys may find it beneficial to at least apply for registration and see how the Examiner initially responds. If the Examiner cites a mark anticipated to be a problem by the attorney, the attorney and the client can then reconsider proceeding with the application. Above all, if a Patent Office determination is appealed as high as a court of appeals, especially the Federal Circuit, the client should be fully prepared to abandon the mark if, and when, the appeal is lost.

Although some attorneys feel they have an obligation to vigor-

148. The average cost of a computerized trademark search varies from thirty-five to fifty dollars.

149. 8 in 1 Pet Products, Inc. v. Swift & Co., 218 F. Supp. 253 (S.D.N.Y. 1963). See also Source Services Corp. v. Chicagoland JobSource Inc., 1 U.S.P.Q. 2d 1048 (N.D. Ill. 1986) (evidence of effort to discover similar marks prior to adoption may be sufficient to block summary judgment motion regarding wrongful intent).

150. See, e.g. Car-Freshner Corp. v. Turtle Wax, Inc., 268 F. Supp 162 (S.D.N.Y. 1967). Defendant was the registrant of twenty-nine trademarks, and must have been "well versed in the folklore of trademark practice and could easily have made a cursory Patent Office search." *Id.* at 167. Nonetheless, at the time of the filing of the infringement action, defendant had 150,000 catalogue sheets and an undisclosed supply of cans bearing the questionable mark. *Id.* at 165.

ously prosecute registration of the mark, they have a bigger obligation to fully advise the applicant of the potential dangers of proceeding. The attorney may occasionally have to talk the overly enthusiastic applicant out of digging his own judicial grave. In short, telling an applicant to "go fish" for a different mark, despite what the applicant already has in his hand, may be the best and least expensive advice an attorney can give.